

## First Time Home Buyer Down Payment Assistance Program

The First Time Home Buyer Down Payment Assistance Program (FTHB) is designed to promote home ownership for low income, first time homebuyers. Down payment assistance is in the form of a deferred loan (second mortgage), not due and payable until sale or transfer of property. The amount of assistance cannot exceed \$36,650 and that no more than sixty (60) percent of a home's value is provided by the County.

### **Income**

Eligible participants must have annual incomes at or below 80 percent of the median income for Placer County adjusted for family size. 2008 annual income limits (effective 2/28/2008) are listed in the table below:

1 person	2 persons	3 persons	4 persons	5 persons	6 persons	7 persons	8 persons
\$39,750	\$45,450	\$51,100	\$56,800	\$61,350	\$65,900	\$70,450	\$75,000

### **First Time Home Buyer**

First time homebuyer means a borrower(s) who has not owned a home during the three-year period before the purchase of a home with CalHome assistance, except that the following individual or individuals may not be excluded from consideration as a first time homebuyer under this definition:

- 1 A displaced homemaker who, while a homemaker, owned a home with his or her spouse or resided in a home owned by the spouse. A displaced homemaker is an adult who has not, within the preceding two years, worked on a full-time basis as a member of the labor force for a consecutive twelve-month period and who has been unemployed or under-employed, experienced difficulty in obtaining or upgrading employment and worked primarily without remuneration to care for his or her home and family; or
2. A single parent who, while married, owned a home with his or her spouse or resided in a home owned by the spouse. A single parent is an individual who is unmarried or legally separated from a spouse and has one or more minor children for whom the individual has custody or joint custody or is pregnant; or
3. An individual or individuals who owns or owned, as a principal residence during the three-year period before the purchase of a home with CalHome assistance, a dwelling unit whose structure is not permanently affixed to a permanent foundation in accordance with local or state regulations; or not in compliance with state, local, or model building codes and cannot be brought into compliance with such codes for less than the cost of constructing a permanent structure.

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### Additional Requirements

#### **Eligible applicants will be required to:**

- 1). Provide minimum of a 3% down payment, the source of which cannot be a loan.
- 2). Prior to being accepted as a program participant (but not required prior to application for the program), provide Home Buyer's Seminar certificate of completion for all three classes (Home Buying Process, Budgeting, Home Maintenance/Good Neighbor), for a total of 8 hours of class training.

#### **Selection of a Home**

The home selected must be located within unincorporated Placer County (No homes within an incorporated area of Placer County such as Roseville, Rocklin, Loomis, Auburn, Colfax, etc. are eligible). The home must be owner-occupied or unit which has been vacant for a minimum of four months. For sale rental property occupied by a current tenant is not eligible for the Down Payment Assistance Program, unless the current tenant will also be the home purchaser.

#### **Type and Condition of Home**

Single-family dwellings, condominiums, half-plexes, and manufactured homes are eligible for purchase under the Program. Any dwelling purchased with assistance under this Program must be on a permanent foundation and must be of appropriate size and number of bedrooms for the number of persons in the purchaser's household.

The County will inspect the dwelling for compliance with Housing Quality Standards (basic health and safety requirements). Any violation of these standards must be corrected prior to County's final approval of down payment assistance for the unit. (NOTE: Exceptions can be made if homebuyer is using 203(k) financing, for the first mortgage. 203(k) is a federally funded program which allows the homebuyer to finance both a mortgage and a rehabilitation loan into one primary loan.)

#### **Purchase Price**

The purchase price of the house cannot exceed \$635,000 which is 95% of the median purchase price for Placer County. The individual participant's maximum purchase price will be calculated based on the maximum first mortgage amount and County assistance. However, other program requirements such as low-income eligibility, amount of down payment household provides, amount of first mortgage loan household qualifies for.

## First Time Home Buyer Down Payment Assistance Program

### **Loan Terms**

The County's loan is a deferred, shared net appreciation, 30-year loan, secured by a promissory note and deed of trust. No payments are required as long as the home remains the primary residence of the qualified low-income, first time home buyer. The loan for the first mortgage **must** be a 30-year fixed term loan.

The County's note becomes due and payable when the home owner sells the property, rents the property, adds someone to title other than an immediate family member, or changes the use from single family residential, or 30 years, which ever occurs first. The note becomes due and payable upon refinance, if the refinance is not approved by the County's Redevelopment Agency or the refinance exceeds the homeowner's equity at the time of refinance.

### **Loan Pay Off**

### **Recapture of Investment**

Term: The Promissory Note shall be for a term of Thirty (30) years at which time all unpaid principal and shared appreciation remaining will be due and payable. Said maturity shall be on the same day of the year as the Date of the Note.

Shared Appreciation: The County will share a portion of the net profit the purchaser would make in subsequent sales, based on the original 2nd mortgage value divided by the market value of the home. The note will be due and payable upon sale of the property, change of use, unapproved refinance or change of ownership.

### **Monitoring**

The County will monitor annually to insure the home has remained the program participant's primary residence. This monitoring may require contacting the homeowner annually.

### **How to Apply**

Fill out an interest form. When we have received your interest form you will receive an application packet. You will need to provide a prequalification letter of your loan eligibility with your completed application. Once we have received your completed application and prequalification letter, your name will be placed on a mailing list.